ECONOMIC UPDATE

JULY 2017

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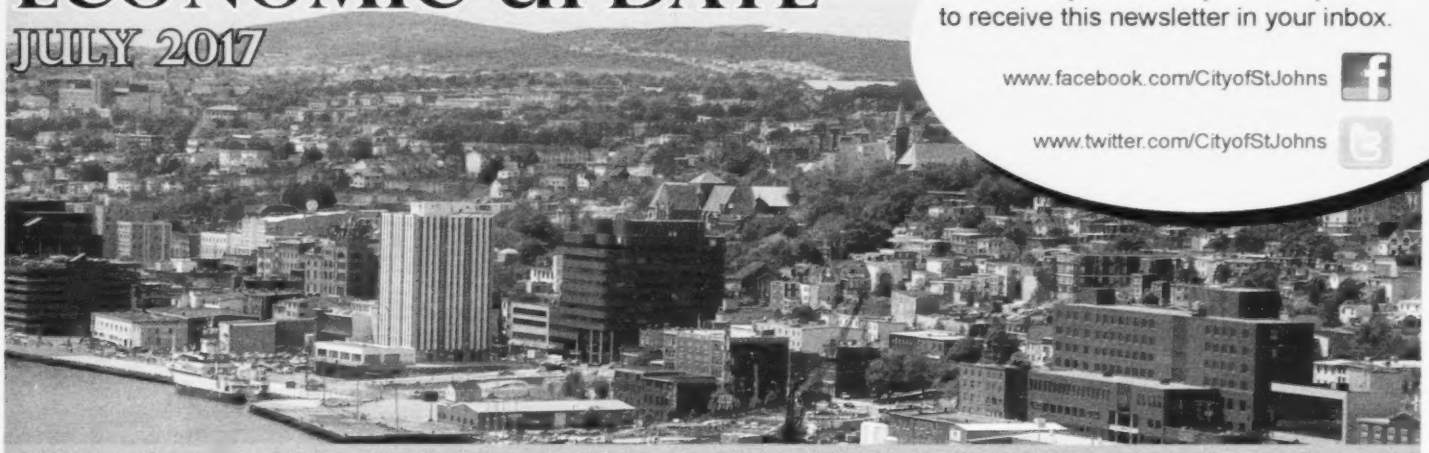

ECONOMIC INDICATORS

The New Housing Price Index for St. John's Metro was 99.5 in April 2017 down -0.7%**

The Consumer Price Index for St. John's Metro was 135.2 in May 2017 up 3.0%*

Retail trade for Newfoundland and Labrador was $764 million in April 2017 up 1.5%*

* same month in the previous year.
** With the release of the New Housing Price Index (NHPI) January 2017 data, the index base period, for which the NHPI equals 100, is December 2016.

LABOUR FORCE CHARACTERISTICS

St. John's Metro, (seasonally adjusted, three-month moving average)

	May 17	Chg.*
Labour Force	120,600	-4.2%
Unemployment Rate	8.5%	1.7pt
Employment Rate	60.0%	-4.8pt
Participation Rate	65.6%	-4.0pt

* same month in the previous year.

BUSINESS BRIEFS

Wood Group wins contract for Husky White Rose project

Husky Energy has moved forward with its West White Rose project offshore Newfoundland by awarding a multi-million dollar engineering contract to the UK's Wood Group. The company has been awarded a contract including procurement services and to complete engineering design work for the topsides of White Rose, a concrete gravity-based structure wellhead platform planned for offshore Newfoundland. Ninety-five per cent of the detailed engineering of the accommodation module and facilities service block for the topsides of Husky Energy's West White Rose project will be completed in Newfoundland. First oil is expected in 2022 and the project is anticipated to achieve a gross peak production rate of approximately 75,000 barrels a day in 2025 as development wells are drilled and brought online.

NL leads Atlantic Canada with $6.6B in capital spending this year

The Atlantic Provinces Economic Council (APEC) is forecasting $6.6 billion in spending on major projects this year in Newfoundland and Labrador (NL), a reduction of 15% over last year, and a larger drop from the construction peak of 2013, when spending topped $9 billion. Historically, investment is still high as APEC is forecasting $13 billion in major project spending in Atlantic Canada this year, with exactly half of that taking place in NL. The oil and gas industry continues to drive investment in the province, along with a resurgent mining sector, and ongoing work on Muskrat Falls before it starts generating electricity in three years. Major project spending in Newfoundland and Labrador is expected to top $5 billion for the next three years, according to APEC.

BDC Unveils $280M Lending Program

The Business Development Bank (BDC) recently announced a $280 million financing package to support small and mid-sized businesses in the Atlantic Provinces over the next two years. Targeted industries for the lending program include ICT, agri-food, ocean technology and tourism. In particular, the bank is looking to back companies pursuing growth opportunities, including acquisitions, change of ownership transactions as well as investment in export strategies. To find out more, visit **www.bdc.ca**.

Business Approvals

Savoury packing operation
180 Hamilton Ave.

Bellissimo's Bistro
123 Quidi Vidi Rd.

Turbo Tech Auto
219 Major's Path

Hilton Garden Inn
150 New Gower St.

Freedom 55 130 Kelsey Dr.

Studio Beauty 390 Topsail Rd.

The Inn by Mallard Cottage
1 Barrows Rd.

Amara Body Sugaring
193 Main Rd.

Straight Edge Barbers
38-42 Ropewalk Ln.

Fort Amherst Pub 29 Rowan St.

Michael Kidney Financial Planning
544 Water St.

Dollarama 650 Topsail Rd.

New Home - Based Businesses

Administrative services
144A Higgins Line

Imagine Consulting & Design
85 Castle Bridge Dr.

Electrical contractor
4 Ventura Pl.

Office for Surveyor
42 O'Regan Rd.

Total Year to Date	**75**
Regular	46
Home-based	29

City Building Permits (Year-to-date as of June 27, 2017)

Type	2016	2017	% Variance
Commercial	$60,354,882	$79,982,023	33
Industrial	$0	$0	0
Government/Institutional*	$5,992,584	$436,000	-93
Residential	$30,296,509	$33,845,979	12
Repairs	$2,035,141	$1,523,507	-25
Total	$98,679,116	$115,787,509	17

* Government/institutional data doesn't include the full range of permit activity undertaken by the provincial government and its agencies.

Upcoming Events

Pitch101 Training Workshop	July 11	www.nlowe.org
How to Buy an Existing Successful Business	July 19	www.DavidCBarnett.com
Canadian Ball Hockey Association Championships	July 20-23	http://cbha.com
World Dance Alliance Global Summit	July 23-28	www.wda-americas.net
Algorithms and Data Structures Symposium	July 31 - August 2	www.wads.org

CITY INITIATIVES

Economic impacts of Passenger, Crew and Cruise Line Spending

The results of an economic impact study carried out by Business Research and Economic Advisors (BREA) shows that in 2016 the cruise industry including direct and indirect benefit to the local economy was $5.7 million. That includes an estimated $1.4 million in passenger spending and $1.2 million by the cruise lines themselves. The amounts are based on a spending formula developed by BREA, applied to the total number of cruise visitors to the City of St. John's in the year: 18,964 passengers and 7,449 crew members.
www.clia-nwc.com

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